<u>Abstract</u>

A process for preparing cephalosporanic acid derivatives comprises the steps of enzymatically converting a 3-thiolated cephalosporin C compound of formula III:-

into a 3-thiolated-α-ketoadipyl-7-aminocephalosporanic acid derivative of formula IV:

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wherein R is a heterocyclic group comprising at least a nitrogen atom.

Compounds of formula IV are used in the preparation of cephalosporin C antibiotics and derivatives thereof.